



Clean Tennessee Energy Grant Program

Pre-Proposal Application Manual 6th Round

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Clean Tennessee Energy Grant Program

Overview

BACKGROUND:

In 2011, Tennessee and other states were parties to a federal court settlement of an enforcement action under the federal Clean Air Act that resulted in a consent decree with the Tennessee Valley Authority (TVA). A part of the consent decree obligates TVA to provide Tennessee \$26.4 million to fund environmental mitigation projects in participating states. The Tennessee Department of Environment and Conservation (TDEC) is designated by the Governor as the lead state agency to develop and manage a process for selection and implementation of the environmental mitigation projects for Tennessee. The initial grant program was approved for 5 rounds. Based on a review of remaining funding, TDEC and the Office of Sustainable Practices were approved to support a 6th and final grant round. Please take note of the revision in eligibility criteria and requirements for this round of funding.

PURPOSE OF THE CLEAN TENNESSEE ENERGY GRANT PROGRAM:

The purpose of the **Clean Tennessee Energy Grant Program** is to select and fund projects that best result in a reduction of emissions and pollutants identified below. The Clean Tennessee Energy Program provides financial assistance to municipal government, county government, utility districts, and other entities created by statute (e.g. airport authority, housing authority) in Tennessee to purchase, install, and construct energy projects that fit into one of the following eligible project categories:

1. **Cleaner Alternative Energy:** biomass, geothermal, solar, wind, etc.
2. **Energy Conservation:** Lighting, HVAC* improvements, improved fuel efficiency, insulation, idling minimization, etc.
3. **Air Quality Improvement:** GHG, SO₂, VOC's, NO_x, HAP's

Note: Multiple projects spanning more than one category are encouraged.

*HVAC units must meet a 16 Seasonal Energy Efficiency Ratio (SEER) rating or better.

Deadline to Submit

GRANT APPLICATION TIMING AND DELIVERY:

The original signed pre-proposal package must be physically at Tennessee Tower – address on page 8- by 4:30 pm, CST, February 28, 2017. Acceptable delivery methods include: mail, express delivery service, or hand delivery. Electronic or duplicate applications will not be accepted. **The pre-proposal must be signed by the Elected Official (Mayor, City Administrator, County Executive, etc.) and any project partner(s), if applicable.** Awards for this grant cycle are at the discretion of the Commissioner and the Governor.

GRANT TIMELINE:

The anticipated timeline for this grant round is as follows:

February 28, 2017: Pre-Proposal submission deadline

March 24, 2017: Full proposals (by invitation only) contacted for additional items

April 21, 2017: Full proposal supplemental information submission deadline

Fall of 2017: Announcement of Recipients

Eligibility

Municipal governments, County governments, utility districts, and other entities created by statute (e.g. airport authority) in Tennessee, are eligible to apply for grant funding from the Clean Tennessee Energy Grant Program. Preference will be given to Distressed Counties, as identified below, by the Tennessee Department of Economic and Community Development, and counties that have not previously received Clean Tennessee Energy Grant Funding. Additionally, projects must have a simple payback of less than 10 years on the entire project budget.

**Indicates coverage in both eligibility categories.

Distressed Counties		
East Tennessee	Middle Tennessee	West Tennessee
Bledsoe	Fentress	Hardeman
Campbell	Grundy	Haywood**
Claiborne	Perry**	Lake**
Cocke**	Van Buren	Lauderdale
Hancock**	Wayne	McNairy**
Scott		
Union**		

Unfunded Counties		
East Tennessee	Middle Tennessee	West Tennessee
Cocke**	Bedford	Chester
Grainger	Benton	Crockett
Hancock**	Dekalb	Decatur
Johnson	Franklin	Fayette
Marion	Giles	Haywood**
Meigs	Houston	Henry
Rhea	Humphreys	Lake**
Union**	Jackson	McNairy**
	Lewis	Obion
	Lincoln	
	Macon	
	Marshall	
	Moore	
	Perry**	
	Robertson	
	Sequatchie	
	Smith	
	Trousdale	
	Weakley	
	White	

PROJECTS NOT ELIGIBLE:

- Energy Audits (but may be used as match)
 - Any project that has already commenced (i.e. began work, broke ground, etc.)
 - Auxiliary Power Units (APU's) and Automated Meter Reading
 - Outdoor lighting and traffic lights
- * By signing the Application, the Applicant certifies that he/she along with any other officers, directors, owners, partners, employees, or agents is (are) not presently debarred, suspended, proposed for debarment, or declared ineligible for an award by any State or Federal agency. This is in accordance with Federal Acquisition regulation 52.209-5.

Funding

GRANT REQUESTS AND MATCHING THE GRANT:

The applicant must select a match percentage. The minimum grant request is **\$5,000** and the maximum grant request is **\$250,000**. The applicant must specify the match percentage as one of the following:

- 50% Grant / 50% Match or better
- Higher matches receive greater consideration

Match may be satisfied by in kind contributions. This may include volunteer labor*, materials, equipment, and others approved by TDEC. Professional fees shall count towards matching funds from grantee only and not towards the grant funding portion. Grant administration costs are not reimbursable.

*Volunteer labor can include minimum wage or higher for skilled laborers

- The Department may terminate and cancel this Grant Program at any time. If for any reason the funds from the TVA Consent Decree become unavailable, the Department may cancel the Contract and not be obliged to make any payments under the Contract after the termination date. In such a case, the Department will give the Applicant 30 days written notice.

Format and Checklist

PRE-PROPOSAL CONTENT/REQUIREMENTS:

Applicants must complete and provide the items listed below in their grant request. Details for completing the items below are provided in this grant manual.

All applicants are required to submit a proposal. As part of your proposal you will be asked to submit the following:

1. Clean Tennessee Energy Grant Program Application:
 - **2 page maximum**
 - Provided by TDEC via fillable PDF form.
2. Project Pre-Proposal:
 - **5 Page Maximum Narrative**
 - Using the Selection Criteria (1-9 on page 6 of this document), the applicant should provide a detailed narrative. If there are more than 5 pages for the selection criteria narrative, it will not be reviewed.
 - The pages must be letter-sized (8 ½ X 11 inches); double sided; recommended font size is no smaller than 10 point with 1-inch margin. All items submitted should be paper clipped only.
3. Budget /Budget Justification (Use Attachment 2):
 - **2 Pages Maximum**
 - In addition to completing the budget page (one page), the applicant will provide a budget justification, to describe various line-items (one page).
 - A completed Detailed Budget (Attachment 2). Each item of the budget form is to be addressed; marked with zero if not applicable. Additional budget lines may be added to the form as required to characterize the project.
4. Appendices (If necessary):
 - **No Page Limit**; please only include relevant documentation.
 - If appendices (letters of support, supporting documents, etc.) are needed, these pages are not included in the page amounts identified above.
 - Letters of support must be submitted by the deadline and are not included in the page limit.

FULL PROPOSAL (BY INVITATION ONLY):

A limited number of pre-proposal applicants will be invited to submit a full proposal to elaborate on their work for a second stage of review. The following information summarizes all of the requirements for this expanded portion:

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1. *Estimate of reductions and or air emissions:*

*(All full proposals must have a **Tennessee Professional Engineer Stamp**)*

All full proposals must provide metrics by responding to the following series of questions within your project proposal:

1. Will this project decrease electricity consumption (measured in kilowatt hours (kWh) or natural gas usage (measured in therms) used on an annual basis?
 - a. If applicable, provide an annual estimate of the energy to be saved?
2. Based upon the estimated annual energy to be saved, use the following emissions reduction calculator for all projects:

<http://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

If emissions reductions are from mechanisms other than reduction in use of electricity provide calculation to determine emissions reduction. The generic emissions reduction calculator is provided as a default method of calculation. Compare the emissions from the current utility bill for electricity to the projected decreased emissions resulting from the proposed grant project. The estimate of the reduction in energy consumption from the project **must** be certified by a licensed Tennessee professional engineer. This must be in the form of an official stamp. The calculation does not have to be certified.

NOTE:

- Each applicant is responsible for submitting all relevant, factual, and correct information with the application. This will enable the evaluator(s) the best review of the project application.
- Funding will be awarded to applications selected by the committee according to fund limitations and the merit of the applications. Applications may be partially funded based on an agreed revised scope and budget between the Applicant and the Department.
- Energy efficiency projects (windows, doors, insulation, HVAC, etc.) must comply with the [2006 International Energy Conservation Code](#) or better in order to optimize environmental benefits and cost.
- If the entity is awarded Clean Tennessee Energy Grant funding, all grantees – with the exception of hybrid/electric vehicles projects – are required to use the [US EPA Energy Star Portfolio Manager](#) to provide benchmarking and energy savings metrics.

Selection Criteria

PROPOSAL: Applicants must explain and answer each selection areas:	
1. Efficiency Measurable/Payback	<ul style="list-style-type: none"> a) Savings – energy (kWh, therms, natural gas, gallons of gasoline, etc.) & monetary savings b) Eligible projects must have a simple payback of less than 10 years on the entire project budget
2. General Public Benefit	<ul style="list-style-type: none"> a) Immediate Results & Project Readiness b) Long Term Savings – energy & costs
3. Creative / New Technology	<ul style="list-style-type: none"> a) Unique & Emerging Technology b) Model for Future Projects c) Renewable Resources
4. Qualifications, Experience, Capabilities, and Scheduling	<ul style="list-style-type: none"> a) Relevant experience with the technology or process b) Strength of team assembled for project (including commitment of key participants) as evidenced by letters of commitment or support c) Schedule, milestones, and deliverables of project
5. Public Awareness/ Exposure	
6. Protection of Environment Resources	<ul style="list-style-type: none"> a) Utilizing existing resources – Example: landfill conversion to methane use b) Conservation c) Reduction in tons of Carbon Dioxide Equivalents
7. Air Quality	<ul style="list-style-type: none"> a) Overall emission reduction b) Non-Attainment area targeted c) Sensitive populations targeted
8. Ability to leverage(match) funding to enhance overall project objectives	<ul style="list-style-type: none"> • For purposes of evaluating the applications, the match may be satisfied by in kind contributions. This may include volunteer labor, materials, equipment, and others approved by TDEC. (Higher matches may receive greater consideration)
9. Estimate of reductions and or air emissions	<ul style="list-style-type: none"> • Must provide an estimated amount for the pollution projected or expected to be reduced by responding to the following series of questions within your project proposal: • Will this project decrease the amount of electricity (measured in kilowatt hours (kWh) or natural gas (measured in therms) used on an annual basis? <ul style="list-style-type: none"> • If so, provide an annual estimate of the energy to be saved? Use the following emissions reduction calculator for all projects: http://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator <p>If emission's reductions are from mechanisms other than reduction in use of electricity, provide calculation to determine emissions reduction. The generic emissions reduction calculator is provided as a default method of calculation.</p>

❖ Preference to be given to projects that use Tennessee installer and local purchase of equipment.

Contact

RESTRICTIONS ON COMMUNICATION WITH DEPARTMENT STAFF

The person named below shall be the sole point of contact throughout the application and award process. All communications (regular mail, express mail, electronic mail, or fax), concerning this application and award process must be addressed to:

Tennessee Department of Environment and Conservation
The Office of Sustainable Practices – Clean Tennessee Energy Grant
William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Avenue, 2nd Floor
Nashville, TN 37243
Green.Initiatives@tn.gov

Frequently Asked Questions

1. *Reimbursement of Project Expenses*

Payment of project expenses takes place on a reimbursement basis. The Grantee must make payments for work actually completed or document in kind contribution, and then submit required invoice documentation to the TDEC for payment. **TDEC will not pay project expenses for work that is performed prior to the date the grant term starts on the executed contract.** If awarded, grantees **must not** begin work before receiving notification that the State has approved the grant contract.

Reimbursements invoices are to be submitted no more often than quarterly (except for the final reimbursement) and shall be submitted with the quarterly report. Payments will be made electronically through the Automated Clearing House (ACH). Grantees will be required to provide account information in order to receive a grant reimbursement.

2. *Can I use part of the funds for design expenses and grant administration?*

For state funded projects the grant funds may not be used for architecture and engineering services. Grant administration expenses will not be reimbursed.

3. *When can projects begin?*

Projects may begin after the Grantee has received an executed contract from the State. Any work performed prior to the begin date of the approved contract will not be reimbursed.

4. *How long will I have to complete the project?*

Grantees will have two years from the effective date of the project contract to complete the project. There will be no term extensions regardless of justification. Projects must be completed by the end date set out in the executed contract. Work performed after the executed contract date will not be reimbursable.

5. *What are the Grantee's post completion responsibilities to the proposed project?*

Grantees are responsible for the continued operations and maintenance of the project. Grantees must submit an annual report of energy conservation for five years following the project completion. The annual report template will be provided upon grant award.

6. *Does Davis Bacon Wages apply?*

The funding is not federal money so Davis Bacon does not apply. However, the state's prevailing wage act does apply.

Prevailing Wage Rates: All grants and contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*

7. Are natural gas projects an applicable project?

CNG, LNG, and propane are not acceptable projects and will not be funded.

8. Do we need to have an engineer stamp on our proposal?

Yes, the applicant will need to have the estimates of reduction in energy consumption certified by a licensed Tennessee professional engineer. This must be in the form of an official stamp.

9. Are refuse truck projects eligible for this grant?

Yes.

10. If the building is in its design phase is the project eligible to apply?

Yes – if the project has not started. If the project has begun, then the project would not be eligible.

11. Can it be used for the purchase of electric/hybrid vehicles?

Yes.

12. Can applicants that have received funding in round one apply this year?

If an applicant has an open contract with the state from a previous grant round they cannot apply this round. If the applicant is physically complete for more than 30 days and has been approved as complete by the department then the applicant can apply this round.

13. Can we submit supplemental documents?

Supplemental documents can be submitted with the application. These do not have a page limit and should be limited to only materials that are relevant in support of the grant. Letters of recommendation/support can also be submitted and do not have a limit.

These documents must be submitted by the deadline date.